
OLR Bill Analysis

sSB 1152

AN ACT CONCERNING THE UNIVERSITY OF CONNECTICUT HEALTH CENTER.

SUMMARY:

This bill authorizes \$262.9 million in new bonding under the UConn 2000 infrastructure program. It increases the authorizations for two enumerated UConn Health Center (UCHC) Projects-- main building renovation and UCHC new construction and renovation by \$75 million and \$187.9 million, respectively (see BACKGROUND).

With respect to the new construction and renovation project, the bill eliminates a requirement that UConn obtain \$100 million in federal, private, or other nonstate money before (1) the bonds are issued and (2) construction commences. It retains a requirement that the State Bond Commission allocate state general obligation (GO) bonds for UConn health network initiatives before UConn may expend funds for new construction and renovation. The bill also reduces, from \$30 to \$22 million, existing GO bond authorizations for the health network initiatives by eliminating two projects from these initiatives.

The bill requires UCHC to (1) contribute at least \$69 million from operations, special eligible gifts, or other sources toward the new construction and renovation project and (2) provide for the construction of a new ambulatory care center through debt or equity financing obtained from one or more private developers.

It also extends a notification date concerning the transfer of neonatal intensive care units (NICU) beds from John Dempsey Hospital (JDH) to Connecticut Children's Medical Center (CCMC).

EFFECTIVE DATE: Upon passage

PROJECT AUTHORIZATIONS AND FUNDING SOURCES

UConn 2000 Bonds

The bill authorizes \$262.9 million in new bonding under UConn 2000. It does so by increasing the authorization for two enumerated UCHC projects, as shown in Table 1.

Table 1: UConn 2000 Project Cost Increases

Project	Current Authorizations (in millions)	Proposed Authorizations (in millions)	Change (in millions)
UCHC Main Building Renovation	\$50	\$125	\$75
UCHC New Construction and Renovation	207	394.9	187.9
TOTAL INCREASE			262.9

To conform to the changes in project authorizations, the bill also adjusts the annual bond limit caps for the UConn 2000 infrastructure program for FY 14 through FY 18 as shown in Table 2. Under current law and the bill, any difference between the amount actually issued in any year and the cap can be carried forward to any succeeding fiscal year. Financing transaction costs can be added to the caps.

Table 2: Annual Bond Limits for UConn 2000

FY	Current Limit (in millions)	Proposed Limit (in millions)	Change (in millions)
2014	\$140	\$198	\$58
2015	128.5	208.5	80
2016	119.5	199.5	80
2017	116	160.9	44.9
2018	91	91	0
TOTAL			262.9

Bonding Conditions

Under current law, the funding plan for the new construction and renovation at the UCHC includes the \$207 million in UConn 2000 bonds described above and an additional (1) \$25 million in UConn 2000 bonds for planning and design costs and (2) \$100 million in federal, private, or other nonstate money. The law also authorizes \$30 million in state GO bonds to fund the UConn health network

initiatives.

Under current law, the issuance of the \$207 million in UConn 2000 bonds and \$30 million in state GO bonds is contingent on UConn securing the \$100 million in nonstate money. The bill eliminates the requirement that UCHC secure this nonstate money before issuing the bonds. Under the bill, UConn may not spend any UConn 2000 bonds for the new construction and renovation project, other than those for planning and design costs, until the State Bond Commission allocates the UConn health network initiatives bonds.

The bill also makes a conforming change to a \$3 million bond authorization to the Department of Public Health (DPH) for enhancements to the accessibility and efficiency of health care services in Hartford. Current law bars the bond commission from allocating the bonds until the (1) \$100 million in nonstate money is available and (2) the commission has allocated the UConn health network initiative bonds. The bill eliminates the requirement that the bond issuance be contingent on the \$100 million in nonstate money.

NEW AMBULATORY CARE CENTER

The bill directs UCHC to provide for the construction of a new ambulatory care center through debt or equity financing obtained from one or more private developers who contract with UConn to build the center.

UCONN HEALTH CENTER NETWORK INITIATIVES

Under the law, the UConn health network initiatives include:

1. a simulation and conference center on the Hartford Hospital campus that uses new technologies and simulated care settings to educate and train healthcare professionals;
2. a Connecticut Institute for Primary Care at the Saint Francis Hospital and Medical Center campus that is intended to increase the number of primary care providers in the state;
3. an institute for clinical and translational science (for the

translation of scientific discoveries into practical applications) at UCHC;

4. a comprehensive cancer center to expand clinical trials and advance patient care in the Hartford region;
5. a UConn-sponsored health disparities institute intended to enhance research and the delivery of care to minority and medically underserved people;
6. the Connecticut Institute for Nursing Excellence at the UConn School of Nursing that will explore ways to enhance the recruitment, education, and retention of nurses and nursing faculty;
7. at the Hospital of Central Connecticut, (a) the planning, design, land acquisition, development, and construction of a cancer treatment center constructed by, or in partnership with, the hospital and located entirely within the City of New Britain, (b) renovations and upgrades to the hospital's oncology unit, and (c) a permanent regional phase- one clinical trials unit at the hospital, provided that a certificate of need is approved for this purpose; and
8. patient room renovations at Bristol Hospital.

The bill eliminates two of these initiatives: the Connecticut Institute for Nursing Excellence and the institute for clinical and translational science and \$8 million in related bond funding. It specifies that \$5 million is allocated for the comprehensive cancer center and the UConn-sponsored health disparities institute.

NEONATAL INTENSIVE CARE UNIT BED TRANSFER

Current law establishes provisions for transferring from JDH to CCMC, licensure and control of 40 NICU beds. The bill extends from December 30, 2010 to June 30, 2011 the time by which CCMC and JDH must notify the Office of Policy and Management secretary (1) jointly, of their intent to proceed with NICU transfer or (2) jointly or

individually, that they will not pursue it.

BACKGROUND

Legislative History

The Senate referred the bill to the Finance, Revenue, and Bonding Committee on May 17. On May 19, the committee reported out a substitute bill that replaced the original bill (File 339), which was a study bill.

PA 10-104

PA 10-104 provided funding, under certain conditions, for the (1) construction of a new bed tower and renovation of academic, clinical, and research space at UConn's JDH and (2) development of regional health network initiatives.

The total cost was \$362 million. The act authorized the issuance of \$237 million in new state bonds of which \$207 million would be issued under the UConn 2000 infrastructure improvement program. It also reallocated \$25 million in existing UConn 2000 funds to pay for planning and design costs of the new JDH bed tower and required a contribution of \$100 million in federal, private, or other nonstate money. The act prohibited the \$237 million in new bonds from being issued and construction of the bed tower from commencing until the \$100 million is received. It established June 30, 2015 as the deadline for receiving the \$100 million.

UCHC new construction and renovation" means the planning, design, development, financing, construction, renovation, furnishing, equipping, and completion of clinical, academic, and research space at JDH. It specifically includes the construction of a new bed tower, increasing the number of licensed beds from 224 to a maximum of 234, including newborn bassinets.

The act also established provisions for transferring, from JDH to CCMC, licensure and control of 40 NICU beds. It conferred the benefits of an enterprise zone on certain businesses in Hartford and parts of Farmington, New Britain, and Bristol, and it required UConn

to report biennially on the progress of the health network initiatives and the JDH construction and renovation.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 19 Nay 0 (03/17/2011)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 31 Nay 19 (05/19/2011)